## REMARKS

In the Advisory Action the examiner states that applicant's request for reconsideration filed May 5, 2004 did not place the subject application in condition for allowance because applicant's "purposed scenarios" presented in the previous Request for Reconsideration are still covered by the references which include the background of Vargo, the Vargo's invention and the Haeggstrom reference.

The examiner contends that the Vargo's instant invention teaches dynamic codec selection on a per packet basis at a gateway and relies on col. 7, lines 17-35. The examiner assumes that the receiving end is a gateway device that does not have the option of dynamic codec selection to argue that Vargo teaches pass-through state.

Applicant respectfully disagrees. Firstly, there is no disclosure or assumption in Vargo that the receiving end gateway server does not have the option of dynamic codec selection.

According to Vargo the voice port 61 in each gateway server 10a-10d, (Figs. 2 and 6) have the same functions (col. 7, lines 6-34). Secondly, as in the Background section of the present application, on page 6, line 24 to page 7, line 1, "since each gateway independently decides the CODEC form of sound data, if the CODEC form of the reception and transmission sides of the gateway coincide with each other... the gateway performs expansion/compression of sound data".

It appears that a typographical error on a continuation sheet, line 17 of the Office Action, the gateway 10d is shown in Fig. 1 of Vargo (not applicant's). Gateways 10b to 10d of Vargo are connected to PSTN 11b-11c and Internet 17 to receive calls; thus each of these gateways are

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receiving end gateways and each as shown in Fig. 2 of Vargo has the same configuration and the same software modules (Fig. 6 of Vargo).

The examiner again referred to col. 7, lines 32-34 of Vargo et al. as disclosing that the voice port can also select from several of codec in response to possible conditions presented by the network. This is not what is claimed in the pending claims. The Vargo teaching at col. 7, lines 32-34 in no way discloses or suggest applicant's claimed invention which includes judging whether the compression form set by a setting section for setting a compression form for compressing data being transmitting to the internet protocol, wherein the compression form includes a transmission rate, coincides with the compression form of the compressed data received from the switched network or not.

Furthermore, it is not taught by Vargo et al. which possible conditions could be presented by the network and nowhere in the Vargo disclosure could be found a judging section which would function as that of the present invention as claimed.

As was admitted by the Examiner on page 3 of the final Office Action issued December 10, 2003, Haeggstrom is silent or deficient in judging the selection of a codec based compression.

It is again respectfully submitted that the combined teachings of Vargo et al. with Haeggstrom would not provide a skilled artisan with the idea or hint of providing a judging section as claimed in a gateway apparatus.

Reconsideration of the subject application and allowance of claims 1-8 are most respectfully solicited.

In view of the remarks set forth above, this application is in condition for allowance which action is respectfully requested. However, if for any reason the Examiner should consider

this application not to be in condition for allowance, the Examiner is respectfully requested to telephone the undersigned attorney at the number listed below prior to issuing a further Action.

Any fee due with this paper may be charged to Deposit Account No. 50-1290.

Respectfully submitted,

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